cial procedure for assessment of search cases in the Finance Bill, 1995.

(b) Under the scheme the assessment of undisclosed income shall be done on the basis of incriminating documents and books of accounts etc. of a block of last ten provious years. This assessment shall be completed within one year from the date of execution of last warrant of search. The undisclosed income so determined shall be taxed at a flat rate of 60 per cent. No penalty for concealment of Income or interest for late filling of return or for default in payment of advance tax shall be leviable on such undisclosed income. However, prosecution proceedings may be initiated. Against this order to block assessment, appeal shall directly lie with Income-tax Appellate Tribunal. This scheme is proposed to be made applicable for search operations initiated on or after 1st July, 1995.

(c) and (d) Yes Sir. At present valuable time is lost in relating the undisclosed income to the different years. No finality is reached and the seized assets remain with the Income-tax Department for a long ttme.

The new scheme shall make the procedure of assessment of search cases effective and meaningful. The undisclosed income shall be assessed as the income of a block of ten previous years, within one year of the execution of last of the search warrant. The assets shall therefore, be released early and a final assessment of the undisclosed income shall be made early. The new scheme is to line with the measures adopted by the Government to simplify the various procedures under the Income-tax Act.

Euromoney conference organised by SBI

4341. SHRI HIPHEI: Will the Minister of FINANCE be pleased to to state:

(a) whether State Bank of India has organised the Euromoney Conference at New Delhi in recent past;

(b) if so, the details thereof with objectives;

(c) whether this Conference has been participated by delegates of the country in addition to delegates from foreign countries;

(d) if so, the details thereof;

(e) whether this Conference has attracted positive indications of foreign investment in different fields of country; and

(f) if so, the details thereof and if not, the reasons for organising this Conference?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The Euromoney Conference organised by Euromoney Publications PLC, London, in New Delhi in March, 1995 was sponsored by a group of Indian and foreign firms, including the State Bank of India.

(c) and (d) Yes Sir. A large number of delegations from India and other countries participated in the conference.

(e) and (f) with "India—A global investment partner" as its theme, the conference had focused on the opportunities offered by India to both portfolio and foreign direct investments.

Settlement of audit observations

4342. DR. SHRIKANT RAMCHANDRA JICHKAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there are departmental instructions that observations of Statutory Audit are to be replied to within a period of six months;

(b) whether it is a fact that Public Accounts Committee (20th Report) has put the responsibility for settlement of audit observation on department;

(c) whether a large number of audit observations made in 1993-94 and ear-

lier years are still to be settled; and

(d) what is being done to prevent such delay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir. There are instructions issued from time to time to the Ministries|Departments to furnish the comments on draft Audit paras within a period of six weeks. Instructions have also been issued emphasising the importance of prompt settlement of audit observations by the administrative authorities and keeping a watch over the clearance of observations outstanding for more than six months.

(b) The Committee are of the view that basically the responsibility for settlement of audit objections rests with the Department.

(c) and (d) The information is not maintained centrally. However, ,Ministries and Departments are reminded from time to time for settlement of Audit paras expeditiously.

Test Audit in Income Tax Department

4343. DR. SHRIKANT RAMCHANDRA JICHKAR: Will the Minister of FINANCE be pleased to state:

(a) whether Test Audit was conducted in the year ended 31st March, 1994 in the assessment completed by the Income-tax Department;

(b) if so, how many cases of under-assessment were detected and how much amount was involved therein;

(c) what action has been taken against officers responsible thereto; and

(d) what is being done to prevent such under-assessment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) The Receipt Audit has referred 14,575 observations of under-assessment involving a total revenue effect of Rs. 595.76 crores for acceptance or otherwise of the Income-tax Department.

(c) Wherever the Receipt Audit points out mistake or incorrect levy of tax, explanation is obtained on the bonafide from the Officer concerned of such mistakes.

(d) Guidelines and Instructions are issued from time to time to prevent occurance of such cases of under-assessment. These are followed up through inspections and monitoring.

Collection of direct taxes

4344. SHRI PRAGADA KOTAIAH: Will the Minister of FINANCE be pleased to state:

(a) what is the cost of collection of Direct Taxes for the last three years in absolute value as well as percentage of collection;

(b) whether the expenditure on collection of taxes is increasing;

(c) what is being done to reduce the cost of collection;

(d) whether computerisation has helped in reducing costs;

(e) what is the percentage of salaries and allowances of the staff in the cost of collection; and

(f) what is being done to reduce these costs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The desired information is given in the Statement (*See* below).

(c Question does not arise in view of (a) & (b) above.

(d) Yes, Sir.

(e) The desired information is given in the Annexure.

(f) Question does not arise.